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## Next Generation of Smart Growth: the Mueller Community



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New Partners for Smart Growth Conference  
February 2, 2012

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**711-Acre Airport Property in East Austin:  
2 miles from UT, 3 miles from Downtown, surrounded by neighborhoods**



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**711-Acre Airport Property in East Austin:  
2 miles from UT, 3 miles from Downtown, surrounded by neighborhoods**



## History

- 1936: Robert Mueller Municipal Airport opens
- 1971 - 1993: Citizens lobby to move airport & citizens task force created
- 1993: Voters approve Bergstrom AFB as new airport site
- 1997 - 2000: Mueller Reuse Plan initiated & adopted by City Council, Mueller Commission created
- 2002: Catellus selected as Master Developer
- 2003: Agreement to locate Dell Children's Hospital at Mueller
- 2004: City & Catellus execute MDA; TIF adopted

Jim Walker

Community Leader

Chair of the Mueller Community



Sue Edwards

City of Austin

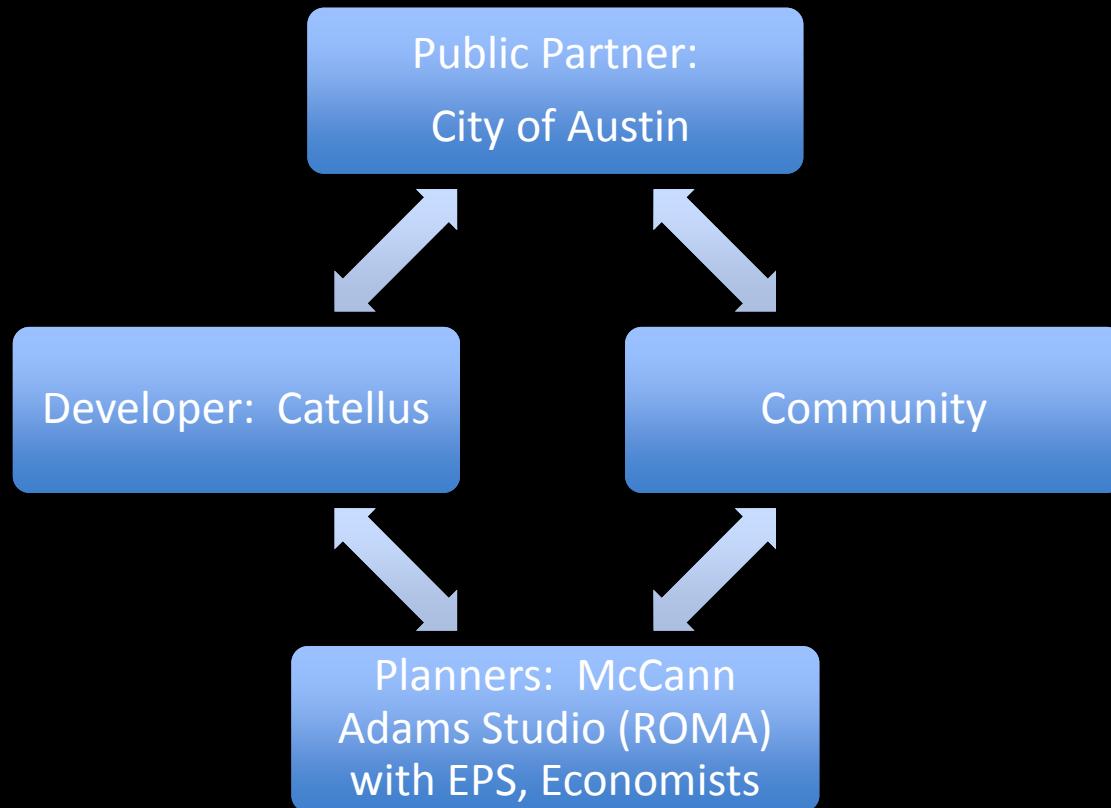


Greg Weaver, Catellus

Master Developer



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## 1997: 6 principles for new mixed-use, transit-oriented community:



**Fiscal Responsibility:** a positive revenue stream to City through increased tax base

**Economic Development:** contributing to Austin's economy and providing new jobs

**East Austin Revitalization:** a direct stake for East Austin residents in redevelopment

**Neighborhood Compatibility:** enhancing the quality of life in adjacent communities

**Diversity & Affordability:** a new community of ethnically and economically diverse residents

**Sustainability:** energy efficient, reduced car dependence, watershed protection-smart growth

## 2004 Plan & Program

- 4,500 DUs
- 4 MSF commercial
- 140 acres open space
- 10,000 residents
- 10,000 jobs



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# Mueller Design Book & design review process instituted

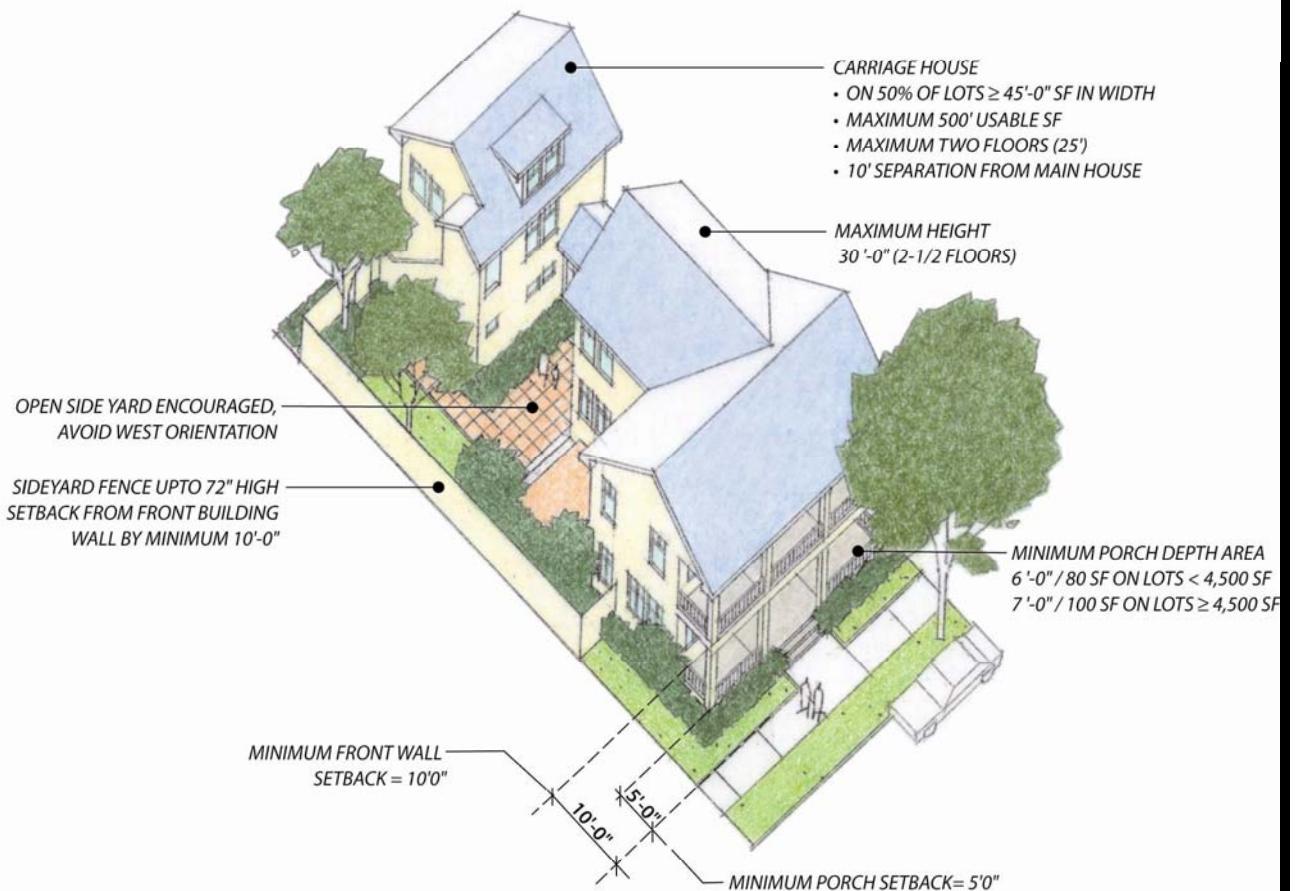


MUELLER DESIGN BOOK

MUELLER  
AUSTIN TEXAS

Original Edition Adopted  
NOVEMBER 2004

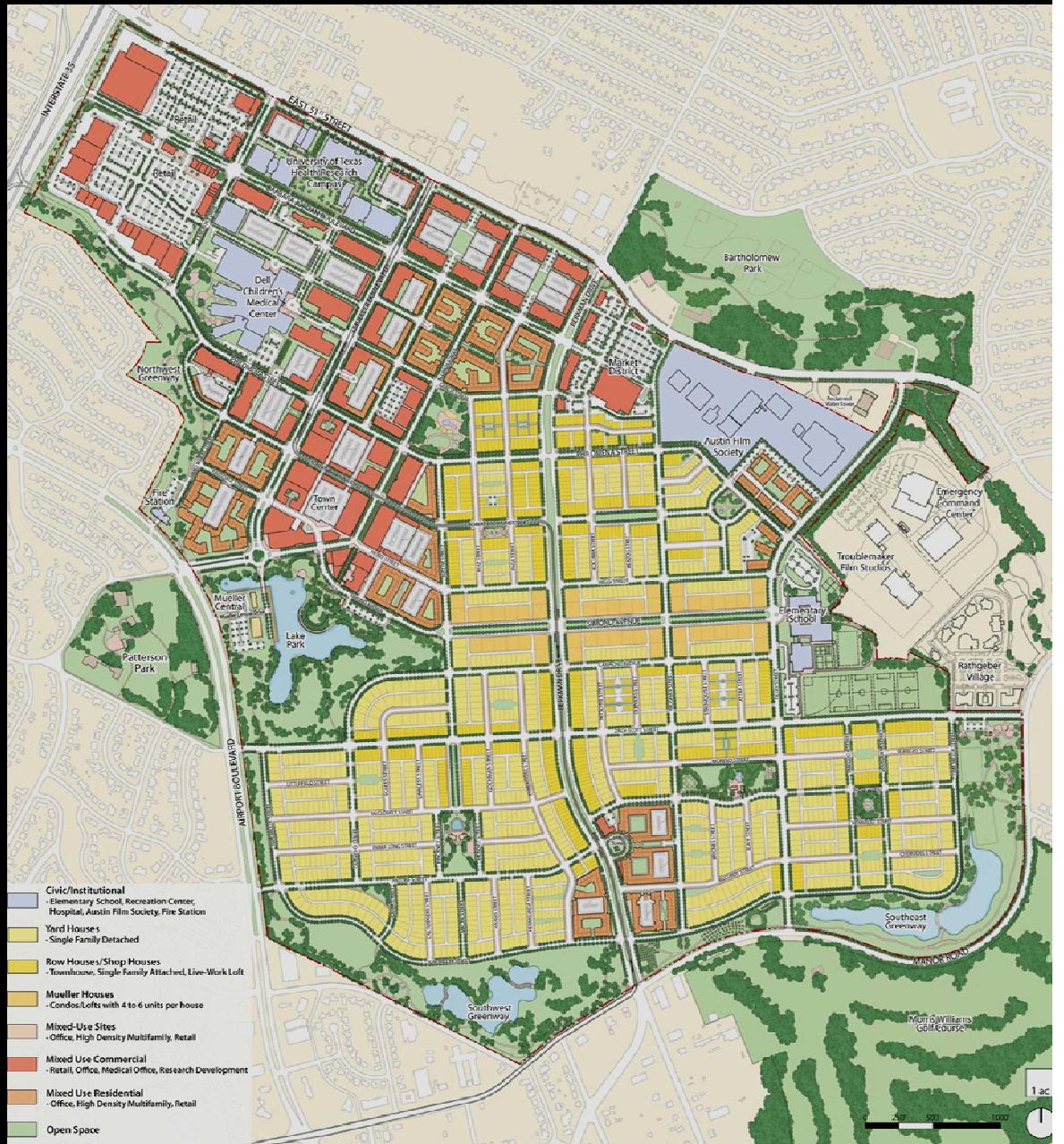
REVISED SEPTEMBER 2011



Yard House Development Standards

## 2012 Plan & Program

- 5,500 DUs
- 4 MSF commercial
- 140 acres open space
- 12,000 residents
- 12,000 jobs



## Deal Structure: “Patient Capital Concept”

City land given to Developer in chunks

Developer pays for/builds infrastructure

Developer sells land to builders; keeps  
15% profit, rest into escrow

Developer reimbursed from escrow

Muni bonds paid off from TIF revenue  
(sales and property taxes)

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# Fiscal Responsibility 2012

~ 30% built-out today



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## Fiscal Responsibility 2012

388,000 SF Regional Retail opened 2008; expands 2012 (3-Star)



## Fiscal Responsibility 2012

*A positive revenue stream to the City through increased tax base*

- \$ 113 million of infrastructure investment so far
- All funded by TIF (sales & property tax from Mueller) and land sale proceeds
- City property tax base increase of \$350 - \$400 million (*on track for \$ 1.3 billion tax base & \$5.7 million property tax by 2025*)
- City & developer maintain flexible approach in responding to market dynamics
- City maintains successful “patient capital” approach

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## East Austin Revitalization 2012

1<sup>st</sup> of 4 neighborhoods completed in 2009, 2<sup>nd</sup> has just begun



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## East Austin Revitalization 2012

*A direct stake for East Austin residents in redevelopment.*

- Investment in new infrastructure, parks and housing
- Proximity of diverse employment opportunities
- 45 new businesses, including retailers, services and new grocery
- 2 corporate headquarters, including Seton, the largest private employer in Central Texas
- New healthy food opportunities with Market District
- New cultural opportunities with Town Center

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## Neighborhood Compatibility 2012

### 75 acres of native-landscaped parks



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# Neighborhood Compatibility 2012

## 4 miles of trails in greenways



## Neighborhood Compatibility 2012

*Enhancing the quality of life in adjacent communities*

- 75 acres of new public parkland
- 4 miles of trails connecting existing neighborhoods into Mueller
- Community-represented Commission continues to monitor redevelopment
- City & Master Developer's ongoing commitment to outreach on key issues (transportation, grocer, "edges", affordability, design, etc.)
- "East 51<sup>st</sup> Vision Plan" emerges - implementation sought through 2012 Bond

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## Economic Development 2012

Dell Children's Hospital opened 2007; 2012 expansion (LEED Platinum)



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## Economic Development 2012 Town Center & Market District begin



## Economic Development: 2012

*Contributing to Austin's economy and providing new jobs*

- 3,300 permanent jobs to date
- \$645 million in new buildings
- 1400 DUs complete or under construction
- 1.5 MSF commercial & institutional space built
- 170-bed Children's Hospital expands
- School District's regional Performing Arts Center beings
- Austin Playhouse and Children's Museum in new Town Center
- HEB Grocery to anchor new Market District

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## Diversity & Affordability 2012

### Housing



**“Garden Court Houses”**

## Diversity & Affordability

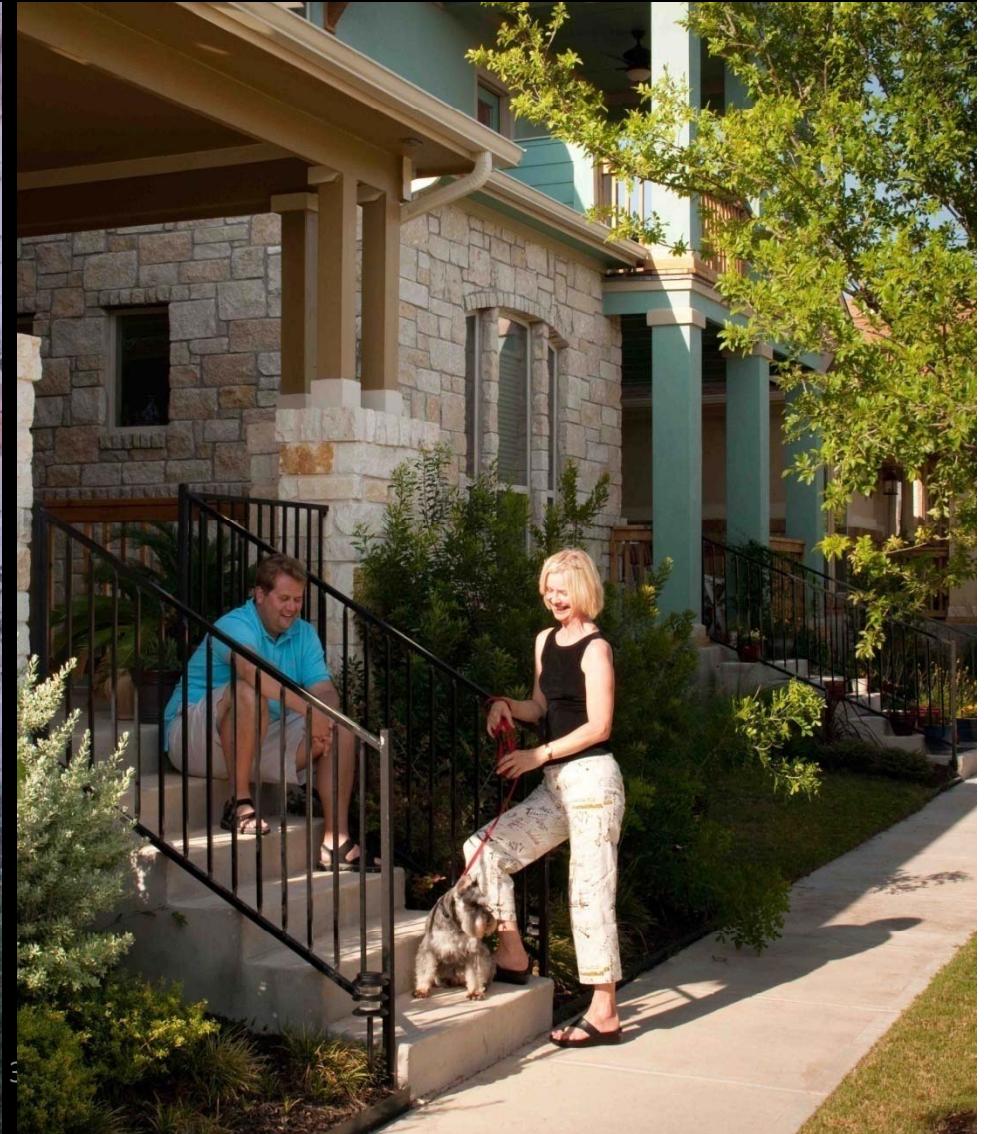
### Housing Provisions:

- *Per MDA, Mueller will have 25% affordable units overall.*
- rental @ 60% MFI & home ownership @ 80% MFI, with a 40/60% balance
- ~10% of units dispersed as SF throughout development
  - Includes new units that are “affordable by design”
- ~10% of units in market rate MF buildings
- ~5% of units in 2 tax credit projects:
  - MF senior project (completed)
  - MF family project (under development)
- diversity of unit types
  - SF attached & detached, wide range of sizes, buyer types, price points)
  - SF with Carriage Houses (granny flats)
  - 4/6-plex condos (Mueller Houses)
  - MF condos & apartments

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## Diversity & Affordability 2012

500+ SF detached “Yard Houses” (~10% of units affordable)



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## Diversity & Affordability 2012

161 SF attached “Row Houses” (50% of units affordable)



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## Diversity & Affordability 2012

### 50 “Mueller Houses” (over 50% of units affordable)



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## Diversity & Affordability 2012

49 detached SF “Garden Homes” (50% of units affordable)



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## Diversity & Affordability 2012

34 Greenway Lofts “liner” condos (10% of units affordable)



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**441 Mosaic apartments (10% of units affordable)**



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## Diversity & Affordability 2012

201 Wildflower Terrace Senior Apartments

(169 affordable units at deeper levels, 30 market rate units)



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## Diversity & Affordability 2012

“affordable by design”: small lots with attached SF units



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## Diversity & Affordability 2012

“affordable by design”: small lots with attached SF units



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## Diversity and Affordability 2012

### The Mueller Foundation

#### Funded by:

- Property sale fee: 0.25% sales price
- Builder fees: \$1,000/unit
- Shared equity proceeds on affordable home sales

#### Mueller Foundation Focus:

- Affordable Housing
- Parks & Open Space
- Education

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## Diversity and Affordability 2012

### The Mueller Foundation

First Sale		
Appraised Value of Home	\$250,000	
Affordable Sales Price	\$150,000	=60% Owner
Mueller Foundation Second Lien	\$100,000	=40% Mueller Foundation

Resale		
Resale Price	\$285,000	
- Mueller Foundation Second Lien	\$100,000	
- Original Affordable Sales Price	\$150,000	
= Equity to be Shared	\$35,000	60% to Owner 40% to Mueller Foundation

## Diversity and Affordability 2012

*A new community of ethnically and economically diverse residents*

- Mixed income profile with wide range of home types and pricing
- 25% of all housing units affordable
- 398 affordable units currently occupied or under construction
- House types offering multi-generational opportunities
- Mueller Foundation established to provide shared equity – keeping re-sale homes affordable
- New housing types intended to promote affordability by design

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## Sustainability 2012

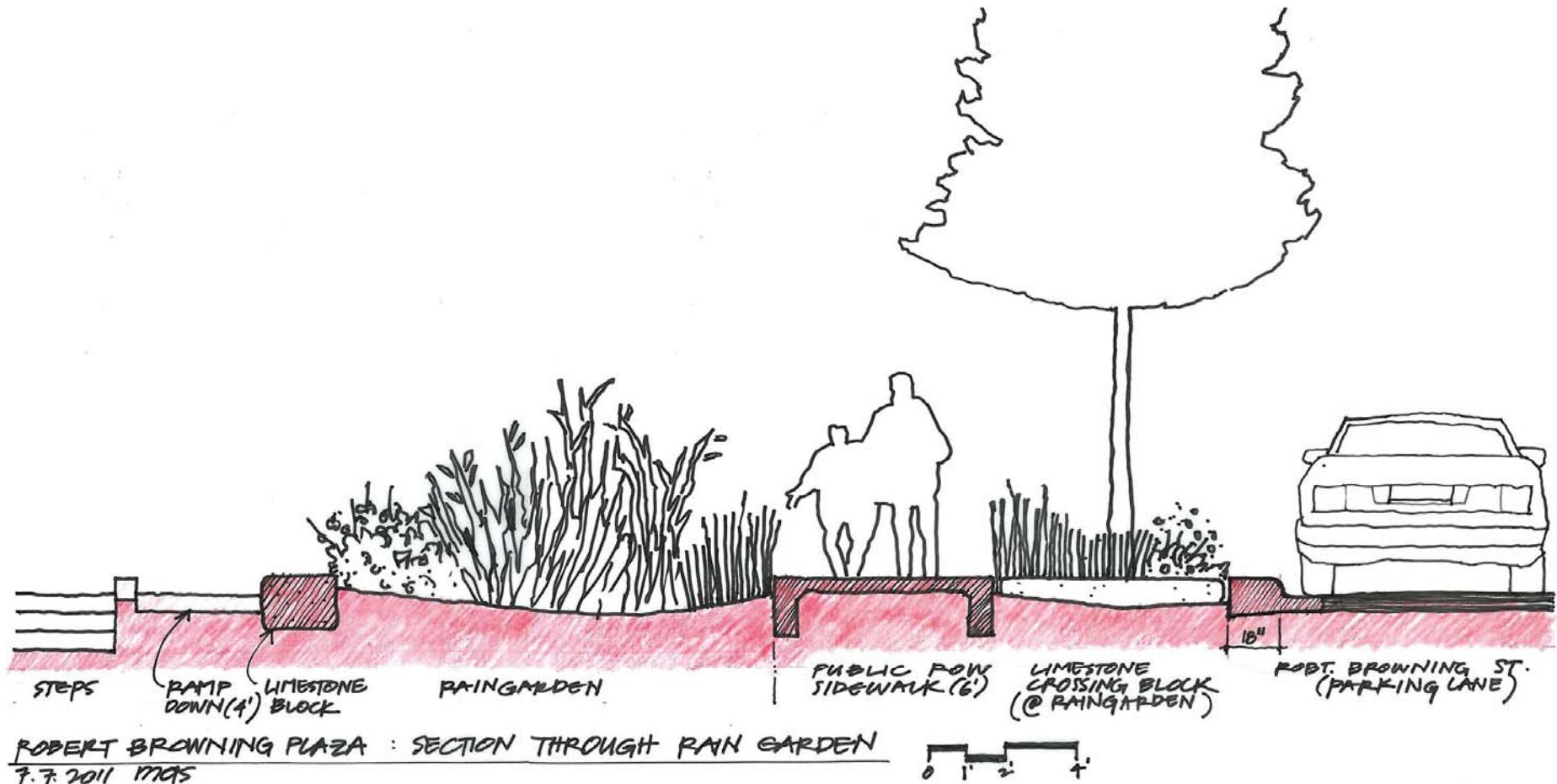
Implementing 1-Way, Protected Cycle Tracks—first in Texas



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## Sustainability 2012

### Integrating LID Techniques & Landscape Urbanism



## Sustainability 2012

*Energy efficiency, reduced auto dependency, watershed protection – smart growth*

- Mueller is Silver LEED ND Pilot Program
  - All commercial buildings are 2-star AEGB or LEED certified
  - All SF homes are 3-star AEGB or better
- Austin Energy built central heating/chilling and co-generation plant
- Reclaimed water for irrigation
- Lakes provide regional water quality, detention
- Parks, landscapes are restoring native Blackland Prairie ecosystem
- DOE invested \$10 million to implement Smart Grid project at Mueller
- Highest concentration of residential solar panels in US
- New design guidelines require all buildings to be “solar-ready”
- New parks & streetscapes embracing “landscape urbanism”
- Will be first in Texas to install 1-way protected “cycle tracks” on principal streets

## Key Lessons for Next Generation of Smart Growth

- Plans & projects need to go beyond traditional elements of New Urbanism & Smart Growth, and integrate social equity elements at outset.
- City-owned land enabled community to set terms of deal - requiring sustainability, affordability, etc.
- Even so, ensuring affordability & diversity takes continued advocacy by the community partner, vigilance by public partner, rigor by development partner...
- ...and flexibility, responsiveness & innovation by all parties.